They can't -- we can bundle up 4 million subscribers and get an important asset and control for the whole region.

That's very hard to do, even for a large cable company that's just in Chile or Argentina or someplace.

Alex Penna - DirecTV - General Manager - Sky Mexico

I believe it was built particularly based on the strength of the regional platform that we conformed.

So it's going to be very difficult for cable companies, which pretty much operate in country in a specific region, to compete with us to acquire or purchase any relevant or significant content of programming on an exclusive basis. So on that front, I'm not that concerned.

As a matter of fact, programmers had that strength on the region was very difficult for me -- would have been very difficult for me on a standalone basis to acquire the Liga Espanola rights on my own without teaming up and joining forces with SKY Brazil and PanAmericana to compete against ESPN or any other programmer, which have the regional reach and could pay more for that.

So I'm not that worried about cable competitors in acquiring exclusive content.

Bruce Churchill - DirecTV - President - DirecTV Latin America

Is there any digital [free-to-ware] in any of our markets?

Unidentified Corporate Representative

Nothing that you're (inaudible - microphone inaccessible).

Bruce Churchill - DirecTV - President - DirecTV Latin America

No, I mean, I think, like Brazil only just decided on a digital standard this year or something, maybe last year.

Luiz Eduardo Baptista - DirecTV - General Manager - SKY Brazil

We do have 90% of the digital segment in our base --

Bruce Churchill - DirecTV - President - DirecTV Latin America

No, he's talking about digital free-to-ware.

Luiz Eduardo Baptista - DirecTV - General Manager - SKY Brazil

No

Bruce Churchill - DirecTV - President - DirecTV Latin America

No, it's not on the horizon.

Unidentified Audience Member

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Just a quick question on your Venezuelan pre-paid initiative -- I was wondering if you could give us just a thumbnail sketch of sort of the key financial operational parameters that you're looking for that might cause you to expand that initiative across other markets.

Jacopo Bracco - DirecTV - SVP & General Manager - DirecTV PanAmericana

Just conceptually, basically the usage pattern, right? How much people are consuming, how often, these are the things.

And so far, we're pleased with what we're seeing. But of course, we want to have a few more months to make sure that it warrants expanding in other markets.

We are going to be doing pilots in other markets and building up the marketing information to make sure that we -- when we launch it's successful.

Unidentified Audience Member

(inaudible question microphone inaccessible)

Bruce Churchill - DirecTV - President - DirecTV Latin America

I'm sorry.

Unidentified Audience Member

As an example, if there was a very strong demand for this product in terms of subscribers and IRRs look good, but you saw that your ARPUs were cut in half, are you nervous about ARPU degradation if at the end of the day the IRRs are still there? That's what I'm sort of looking at.

Jacopo Bracco - DirecTV - SVP & General Manager - DirecTV PanAmericana

I'll give you an answer. And hopefully it's the answer that Bruce agrees with. But my view is it's all about profitability. I mean, at the end of the day, it's about growth and the bottom line.

So if we can add to the bottom line with that strategy, we will. And if we have derived attractive IRR, I mean, typically it has to be an account that has the return that is faster and possibly higher than the regular business account.

Remember it's high up front to get in when compared to the regular business. The same package is actually priced higher on a prepaid basis than on a contract.

You cannot get multiple boxes, which also again, on the one hand, depreciate our ability to group our ARPU, but on the other hand, reduce our SAC

So I think if prepaid were big, our SAC would be trending down. And our ARPU may suffer a bit. But I think, again, looking at the bottom line growth.

Bruce Churchill - DirecTV - President - DirecTV Latin America

Jacopo's still employed.

Unidentified Audience Member

In terms of bad debt, can you talk about what it is, what is the collection process? And what is your disconnect policy? Thanks.

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Bruce Churchill - DirecTV - President - DirecTV Latin America

Okay. You guys want to try and quickly deal with that?

Alex Penna - DirecTV - General Manager - Sky Mexico

Bad debt in the case of SKY Mexico is insignificant. It's below 3%. And the disconnection policy is soft block the system if you don't pay at the day 28. And at 32, it's hard block.

Luiz Eduardo Baptista - DirecTV - General Manager - SKY Brazil

In Brazil, the bad debt is less than 1%. Customers are used to pay to watch, which is not the same if you compare to cable operators. And there's also a combination of soft disconnection and the tenure of the subs.

And we're trying to repair the [separate] behaviors, calling in order to avoid a very good sub to be cut on the seventh day. So we have three different steps, talking at the seventh, the 21st, and the 35th day.

On the 35th day, you are really disconnected, then turns into churn. And in the spirit of time, we'll try -- customers normally -- this process, 65% of the customers returns normally without you having to do anything.

So you do the (inaudible - highly accented language) efforts on the remaining 35% in order to make sure that they're going to be back after the 35th day

And then there are other procedures to recoup these subs. But from--that's what really occurs. So every 35 days, we do count these subs as churners

Jacopo Bracco - DirecTV - SVP & General Manager - DirecTV PanAmericana

And I can't really give you details. There's nine markets. There's three or two products at least in each market.

There's at least 18 or 27 different disconnections or bad debt policies that are adapted and are designed to maximize the churn performance.

So in some cases if you disconnect too early, you create friction with the customer and you have higher churn, than if you take on a few days.

But in general, people pay in advance. So these are very small numbers. Then again, if you go back, if prepaid starts accelerating as well, that brings no bad debt, right?

Bruce Churchill - DirecTV - President - DirecTV Latin America

I think the other thing that probably characterizes, particularly Mexico and Brazil is a higher percentage of the customers are credit card customers. It's just automatic. I think it's north of 50% in your case.

Alex Penna - DirecTV - General Manager - Sky Mexico

55%

Bruce Churchill - DirecTV - President - DirecTV Latin America

I forget what it is in -

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at a TV per home.	ist were considered and recognized that one poi	Printer that both DirecTV and SKY in Bra
it that in Brazil, we are starting to analyze because of the i, we do think that we're going to be in pretty inuch	del, and because of the (higher) appreciation	
	neral Manager - SKY Brazil	Luiz Eduardo Baptista - DirecTV - Gen
e83 b poxes allowed us to deploy massively multiple set-top	of the reduction in the price of multiple set-to- ind that obviously has a price to pay on that strai	
natter of fact, in the past, SKY was known in Mexico as	in a M. ogs standed a fittle over a year age. As a reserved to other the other the other than the fittle of the cable a	
	00/x4N/ 448 - 149	Alex Penna - DirecTV - General Manag
	ou.j	What about multiple set-top box peneurati
	- DirecTV Latin America	Brace Churchill - DirecTV - President
But the margin I gave was just an indication.	a cost and may make a dent on our profitability.	s alt these exemisive offerings also have
ing our subscriber base a number of soccer tournaments is accented language). Cup America, the [soccer league] ghly accented language) on PanAmericana and SKY.	xclusive basis, which are Cup (inaudible - high	with more than 50% of the games on an e
to sement in gaiob site swe that sammesoval lancitible of	se that could impact margin other than certain	on their is nothing going on in that sens
ंग्रजा प्रकार प्रकार	in terms of margin that we expect. It could be hi	Well, it's just an indication of the bottom
- <u></u> .	03/X Mexico	Alex Penna - VivecTV - General Manag
more than 45%. But what's going on there?	ol e ad bluoa it advein inha gninabnow itul	
e premium segment, meaning the DirecTV household say 48%.	timetrame you've given, which is 2009, in th y, the post-SAC margin in '16 was 47,7%, so Ul	
	элгерор Белепации пом.	I have two questions. What is multi-set he
		Unidentified Audience Member
		Govery high credit card.
	Direct V Latin America	Bruce Churchill - DirecTV - President
		Brazil, it's 65%.
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So to give you a bit of a sense, we have 1.09 boxes per set. And there's plenty of room to get that number to 1.5 by the end of '08. We've been doing calculations to get there.

And the key reason for SKY not get match subscriber nowadays is reason number one is that because we don't have the second box to provide them right now.

I'm not even saying that it would be because of a matter of pricing. It's because we don't have the box.

We are selling a lot. Suppliers are facing the [sequences] in order to supply the demand.

So when we're going to have those and probably to start to occur in three or four months frame, we're going to have the ability to offer the second point and for a much reasonable price if they are willing to commit to a longer term.

So I do envision that this will be a huge success for us.

Jacopo Bracco - DirecTV - SVP & General Manager - DirecTV PanAmericana

And in PanAmericana, we actually have an average of 1.4, 1.5. Really hard to give any guidance beyond that.

Unidentified Audience Member

Question -- frankly, from your various presentations that compared to the U.S., there seems to be very significant opportunities for consolidation in each of your markets. And your primary competitors, the phone companies, the cable companies are getting bigger.

I guess the question then is with that as a background, how does consolidation, these opportunities play into your various strategies given the potential scale benefits for programming costs and so on.

And I guess that comment is particularly relevant for Mexico and PanAmericana. And Brazil, I'm aware that the largest cable company, the largest paid TV company. Net Co, just acquired Vivax, which makes them. I guess, puts them near to 50% of the market.

So and they're now just rolling out triple play. So why aren't each of you looking more closely to take advantage of this fragmented market to increase your competitive advantage?

That's the question. I would appreciate a brief answer. Thank you.

Bruce Churchill - DirecTV - President - DirecTV Latin America

Shorter than the question? I guess I would say we are, I believe we are trying to take advantage of it because the market today is largely still fragmented other than, you point out correctly, in Brazil, I think there probably are two sides to that coin.

On the one hand, certainly, a consolidated market with more scale may have more access to capital and therefore a better opportunity to make the investments required to digitize and ultimately offer the triple play. That's probably true.

I think it will take time. I think it's not quite -- the environments that we're talking about here are not easy ones to necessarily implement and execute these kinds of things.

And so we're well aware it's happening. We're not standing still.

I think the basic premise of our competitive position will still serve us well against even those consolidated digitized competitors.

Flip side of it is it's actually creating some opportunity, as Jacopo mentioned, Argentina, where there's some digitization going on in Buenos Aires

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We've actually seen an up tick in our sales there because where before analog was widely available and people were just taking it, now all of a sudden it's gone digital.

They have to make a choice and they're often choosing us. So I think there is, I guess, if you want to put a silver lining to that.

But look, life could always get more competitive. And I'm confident we'll be able to compete there.

And then as I mentioned, I think, in my first presentation, we are in the early days of some relationships with some of the local teleos to look at offering our own bundle.

And given the nature of telephone companies, it's very difficult to get them to try new things and to do it well off the bat. And that was true here in the United States. And it's going to be true in Latin America. But that's why we're starting it now.

Unidentified Audience Member

Yeah, I guess, somewhat related question specifically to SKY Mexico, and you just mentioned early purtnerships with the teleos.

But that's -- those partnerships are starting to happen now in Brazil as Luiz mentioned. Is this something that's happening in Mexico? And with teleos, if that's the case, which teleo?

Is it Axtel? Is it Telmex? And the second question maybe is SKY Mexico specifically.

Are you considering expanding services to Central America and the Caribbean region?

Alex Penna - DirecTV - General Manager - Sky Mexico

With regards, to your second question, the answer is yes as part of the agreement we reached with DirecTV back three years ago or -- no, longer than that -- no, four -- included the right of SKY Mexico to exploit business in Central America and the DR, Dominican Republic.

We have been working towards launching the SKY service in Costa Eica and Nicaragua and initiate from scratch since DirecTV does not operate in the DR, initiate from the scratch there, and perhaps later on this year also build a migration of DirecTV subscribers to the SKY platform in Panama.

With regards to teleos in Mexico, yes, we have explored the possibility of joining forces with one of the teleos in Mexico. We have talked to pretty much all of them.

And we still do not have anything concrete or firm to announce in that regard. But yes, we have been exploring opportunities to get into triple play with a teleo company.

Bruce Churchill - DirecTV - President - DirecTV Latin America

Is that it? No? Okay. All right. Well, thank you, everybody. Lappreciate your time. And thank you for coming out this morning.

I guess, Jon, we're doing a very un-Latin thing and serving an early lunch. Is that right? Okay, I guess it's out there. Please join us. Thank you.

Alex Penna - DirecTV - General Manager - Sky Mexico

Thank you.

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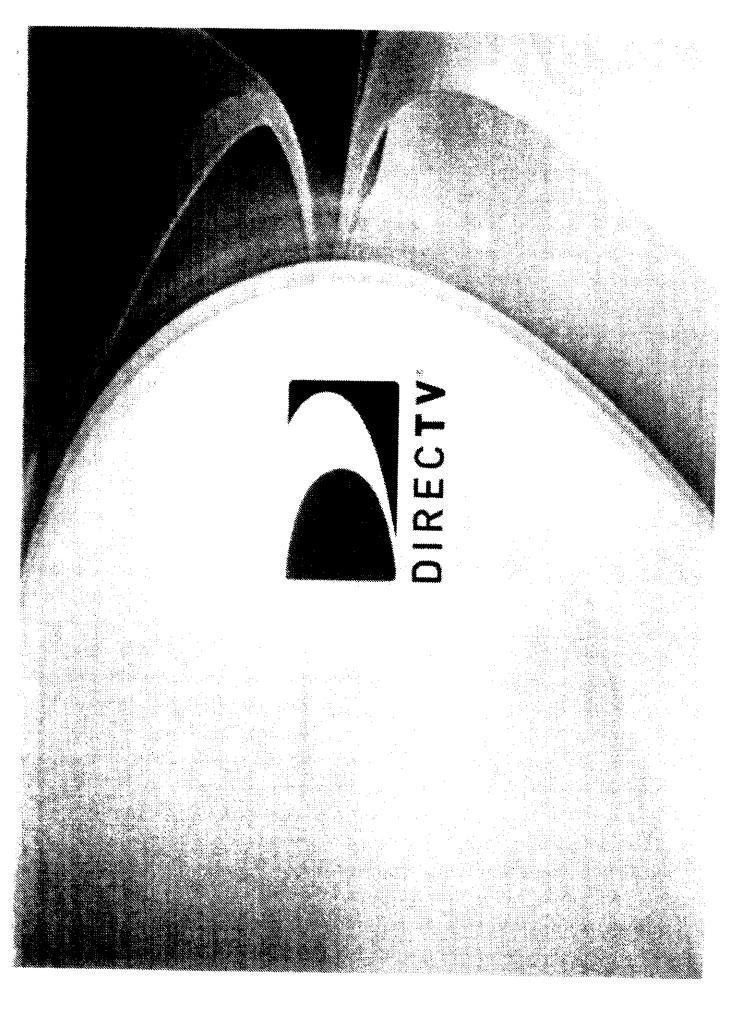
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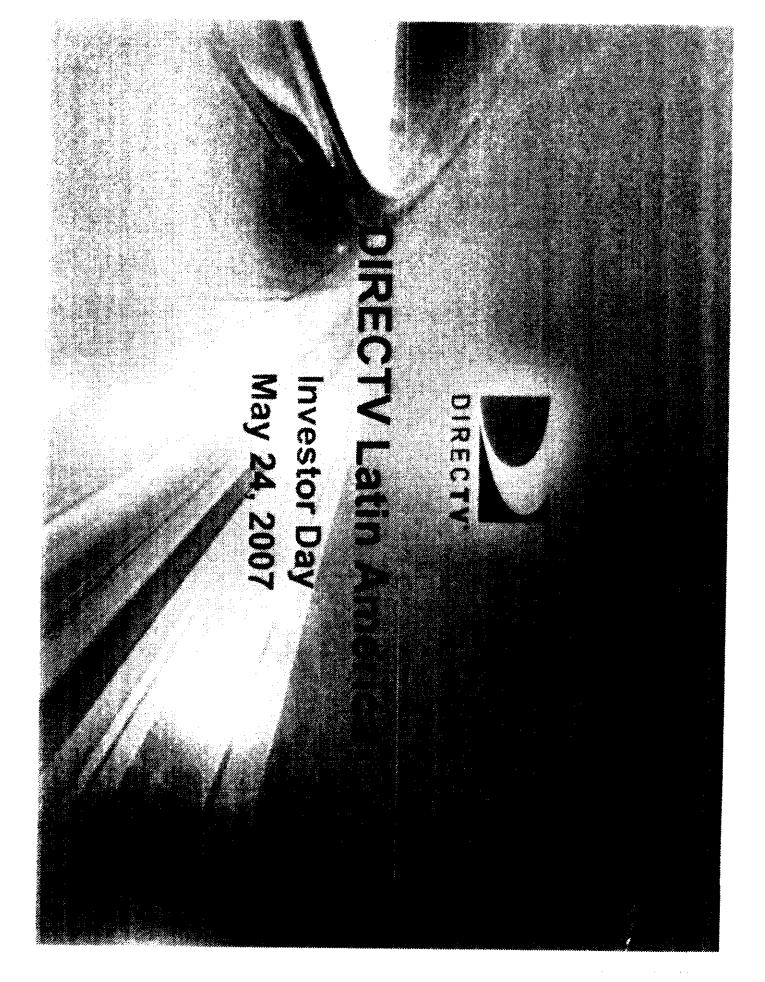
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Vice President, Investor Relations

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subscribers, upgrading and retaining existing subscribers and for capital expenditures. A reconciliation of these measures to the nearest GAAP measure is posted on our website. base for the purpose of allocating resources to discretionary activities such as adding new management uses these measures to evaluate the profitability of DIRECTY U.S.: subscriber specifically, Operating Profit before Depreciation and Amortization, Free Cash Flow, Pre-SAC in conjunction with other GAAP financial measures and are not presented as an afternative margin and Cash Flow before Interest and Taxes. These financial measures should be used accounting principles generally accepted in the United States of America, or GAAP measure of operating results, as determined in accordance with GAAP, DIRECTV This presentation includes financial measures that are not determined in accordance with





Pesicent & CEO DIA CO



Bruce Churchill President, DIRECTY Latin America



Opening Remarks

Overview

NA Brasil

PanAmericana

(M)

COKO W YAS

Closing Remarks

Chase Carey

President and CEO, DIRECTV, Inc.

Buce Churchill

President, DIRECTV Latin America

Luiz E. Baptista da Rocha

General Manager, SKY Brasil

Jacopo Bracco

DRECTY PanAmericana General Manager

Alex Penna

General Manager, SKY Mexico

Bruce Churchill

President, DIRECTY Latin America



DIRECTV Presence Throughout the Region



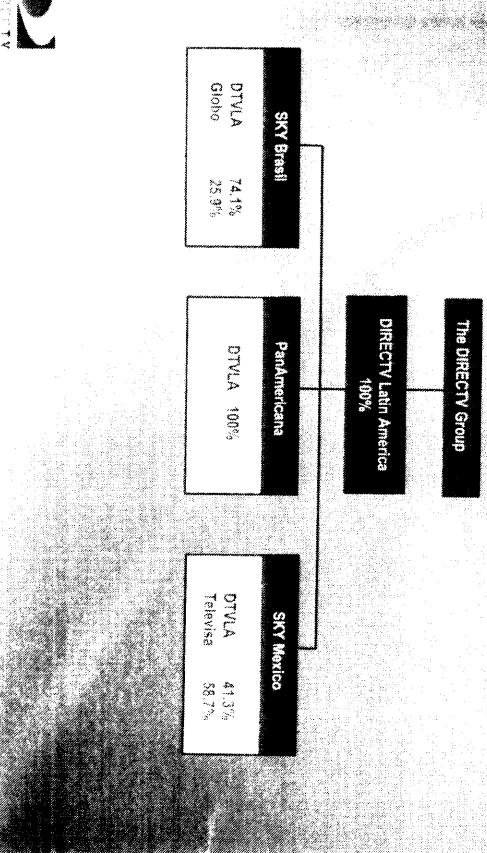
The 6th largest Pay-TV Platform outside the U.S.A.

MARKETOVERVIEW

	Cable modem as a % broadband
	Broadband Subscribers (M)
	Combined SKY/DIRECTV Subscribers (M)
20%	Satellite HH as a % of Pay-TV
20%	Pay TV Penetration
21,000	Pay-TVHH (000's)
100+	TVHH (M)
	Population (M)



Ownership Structure





	Brazil	PanAmericana	Mexico
Service	Video: 163	Video; 276	Video: 172
(# of channels)	Audio: 41	Audio: 46	Audio: 50
	***************************************	California	
Broadcast	P Constitution	Venezuela	Mexico
Centers	Can	Argentina	
		Brazil	3 333500
Satellites	10 OB	Galaxy IIIC	Ø
Transponders	14	3	N)
Call Centers	د سه	O 1	
Employees (Including outsourced)	2,341	2,750	2.260



- Premier television experience
- Programming/Content
- いのいとうの
- to deliver superior financial performance Leverage regional scale and DIRECTV US
- Mitigate regional risk by maintaining local currency cost basis, where possible
- Local currency programming contracts
- In-market infrastructure and headcount



Fremier Programming Offering Sports

La Liga/EPL	400 games, 250+ exclusive	
Brasileirão	100% of games available	
Mexican Soccer	× Exclusive local broadcasts	
World Cup	Mundial Total	
Regional Soccer	Argentina, Colombia, Chile, Mexico	***************************************
MLB Extra Innings	× Exclusive	·
NFL Sunday Ticket	× Exclusive	
Niche Programming	Golf Channel, Polo, Beach Volleyball	

UNIQUE PROGRAMMING

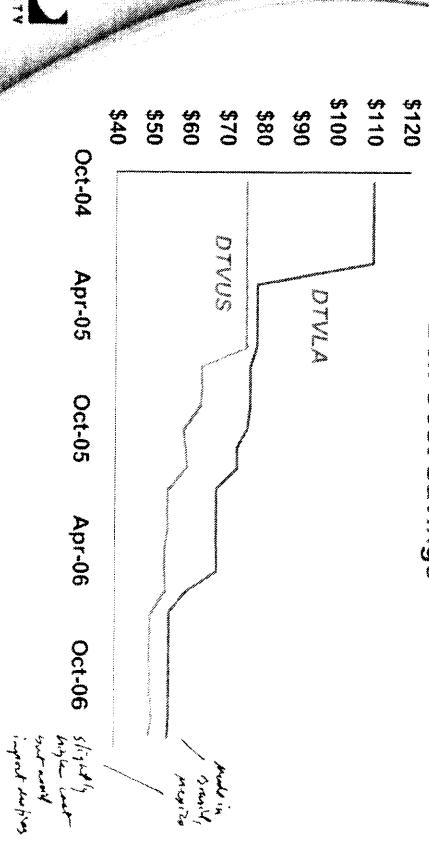
On DIRECTV/SKY ONE	SKY ONE 24 hour exclusive channels
Reality Shows	Exclusive extended coverage
Series Premiere	Roma (HBO), 24 (Fox)
	Bacilos, Don Omar, UB40, Alejandro Lerner. Chiquititas, Floricienta, Seal, Peter Pan



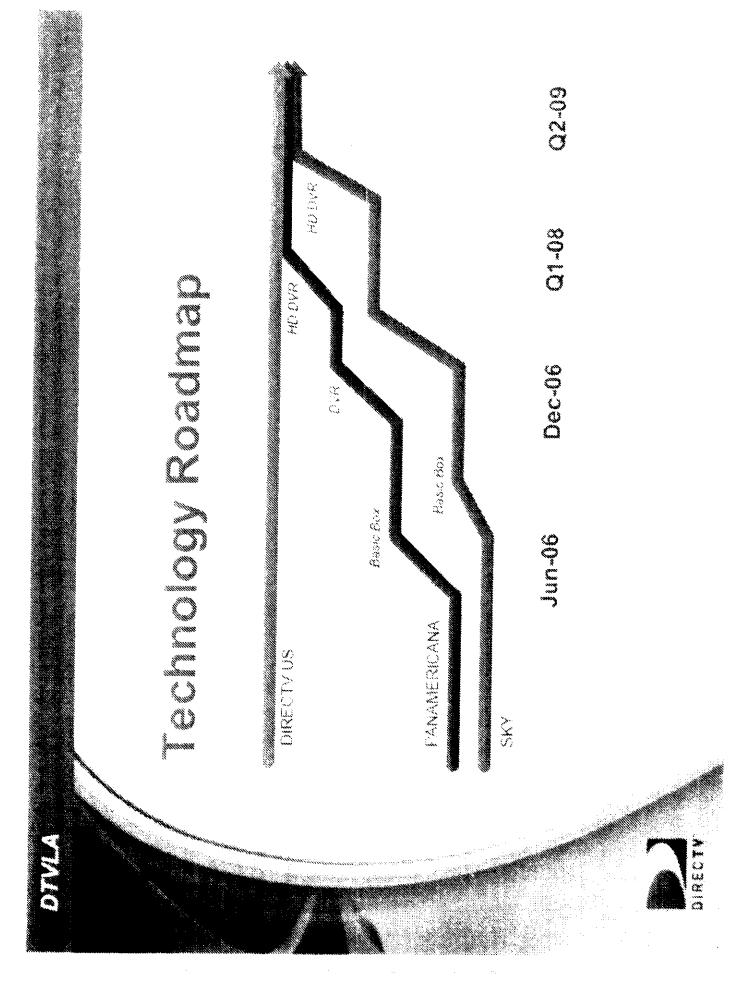
- Delivery to more than 4 million subs
- Leverage DTVUS
- Shared services
- Broadcast Operations facilities
- Regional Call Center (Colombia, Argentina)
- T Networks
- Creative Services and Production
- Technical development
- \$50+ cost savings in box price
- Speed to market







DIRECTY



- Stabilized cable industry, largely analog
- Argentina
- Brazil
- Mexico

New entrants

Telmex (Brazil, Colombia, Peru)

Telefonica (Brazil, Peru. Chile, Colombia)

The Bundle

Development lags U.S.

- Early stage alliances
- Brazil (BrasilTelecom, Telemar)
- Chile (Telefonica Del Sur, Telefonica Manquehue)
- Colombia (ETB/Orbitel)
- · Puerto Rico (PRT)
- Argentina (Telecom)

